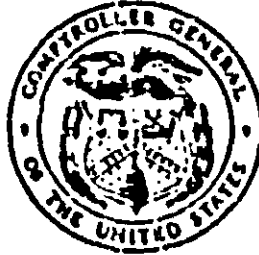


**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

*Billed  
72 I  
118759*

**FILE:** B-203933

**DATE:** June 17, 1982

**MATTER OF:** American Farm Lines

**DIGEST:**

Declaration of value of shipment in the event of loss and damage which exceeds actual value of shipment by huge amount is obvious error, but suggests that Government intended to ship at actual value. Under such circumstances, absent any evidence that carrier exercised special handling procedures for high denominated value shipment, GAO will not object to payment of transportation charges at rate determined by actual value of shipment.

American Farm Lines (AFL) requests review of settlement action taken by the General Services Administration (GSA) in connection with a shipment of eight aluminum aircraft fuel tanks, weighing 6,560 pounds. The shipment was tendered to the carrier at Tulsa, Oklahoma, on Government bill of lading (GBL) K-4759106, dated December 1, 1979, for transportation to Hill Air Force Base, Utah. The GBL contains the notation, "Released value not exceeding \$250 per pound," and the block entitled Tariff or Special Rate Authorities bears the notation, "ICC 345 (Eff Date 4-9-79)."

AFL billed and was paid transportation charges of \$1,963.50; the carrier derived these charges from its Tender ICC 266. GSA made an audit determination that lower rates published in item 7010 of AFL's Tender ICC 345 were applicable, and these rates, with an applicable fuel surcharge, produced line-haul charges (base rate) of \$1,514.70; therefore, a Notice of Overcharge was issued for \$448.80. In its protest to GSA's audit action, the carrier agreed as to the applicability of Tender 345 and its computation of the base-rate charges, but contended that because of the valuation declared on the GBL an

excess valuation charge of \$811.80 was also applicable. Since the Government paid AFL only \$1,963.50, the carrier presented a supplemental bill for \$363. The disallowance of that bill by GSA is the basis for our review.

The issue of whether the excess valuation charge was applicable invokes item 32 of Tender 345, which provides for application of a base rate alone or an additional valuation charge depending upon the valuation declared on the GBL. Item 32 provides that the base rate applies where the value does not exceed \$250 per 100 pounds. Since the shipment weighed 6,560 pounds, the base rate would cover a value of \$16,400. However, the declared value of \$250 per pound results in a value of \$1,640,000, and item 32 provides that where the released value exceeds \$250 per 100 pounds the applicable charge shall include the base rate plus a value charge of 5 cents for each \$100 by which the released value exceeds that for which the base rate applies (\$16,400); therefore, AFL's bill, reflecting the additional charges, was based on an excess value of \$1,623,600.

GSA disallowed the bill on the theory that the Government erred in making the declaration; and, at GSA's request, the shipping agency, more than 17 months after the services were performed, issued a Correction Notice, DD Form 1352, on May 20, 1981, purporting to correct the declaration on the GBL to read "Released value not exceeding \$2.50 per pound." GSA considered that this was the equivalent valuation of \$250 per 100 pounds, and concluded that the value was covered by the tender's base rate without the excess value charge.

AFL contends that the Pomerene Bills of Lading Act, (Act) 49 U.S.C. § 93, prohibits alteration of a bill of lading without the carrier's consent, and the Correction Notice issued here was an alteration that was not approved by the carrier. The carrier further contends that the original GBL fixed the obligations of the parties, and where the carrier delivers the shipment without damage, the shipper is estopped from altering the terms after performance.

We have held that the Act does not prevent a determination after the shipment concerning what was moved or consideration of the characteristics of the items actually

shipped. See B-140462, February 8, 1961. Here the issue relates to the value of the shipment, which is a characteristic of the shipment.

AFL contends that multiplying the applicable declared value of \$250 per pound by 6,560 pounds, the shipment's weight, results in a total declared value of \$1,640,000 and AFL should be allowed to charge the appropriate rate for this valuation. However, the record shows that the actual value of the shipment was estimated to be \$60,880, and this would be the limit on damages chargeable to the carrier. Further, there is no evidence in the record to indicate that the carrier exercised any extraordinary measures to protect a high denominated value shipment. Based on the record, the declaration of a value on the shipment of \$1,640,000 is an obvious error. Nevertheless, although the record does not establish the Government's exact intent, GSA suggests that the Government could have intended to ship the fuel tanks under a declaration of value, and that, under this alternative basis for settlement of the claim, AFL would be entitled to additional charges of \$22.24, on the basis of a declared value of \$60,880. In this connection, we note that the Government is prohibited from declaring a value beyond a shipment's actual value. See The Government Losses in Shipment Act, 40 U.S.C. § 726 (1976); Defense Logistics Agency Regulation 4500.3, § 214049(d) (1969); 34 Comp. Gen. 175 (1954); 17 Comp. Gen. 741 (1938).

Therefore, we have no objection to the reduction by \$22.24, of the overcharge amount due the Government, and otherwise sustain GSA's determination of an overcharge.

*for James D. Van Cleave*  
Comptroller General  
of the United States